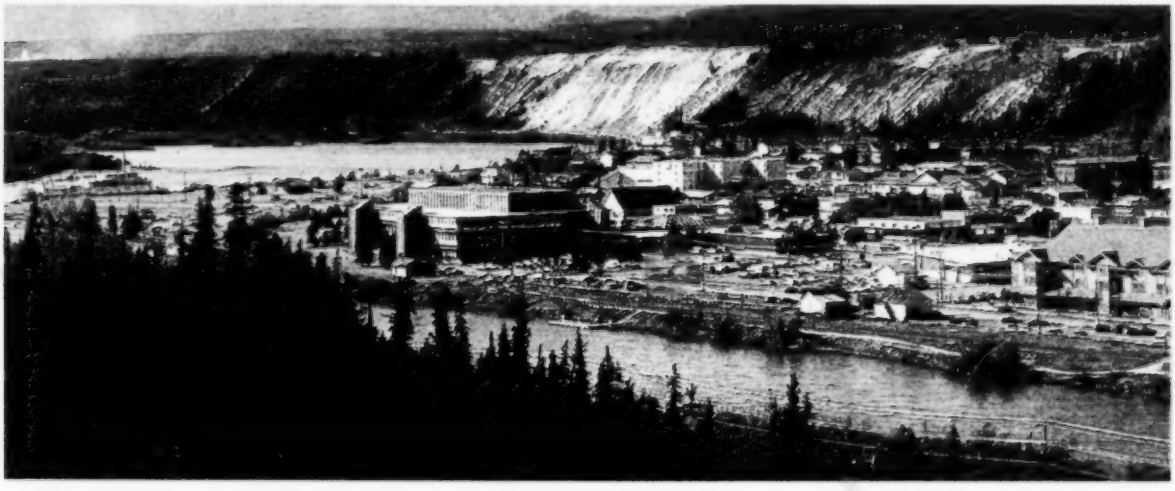
WHITEHORSE HISTORY

One hundred years ago, reckless adventurers fought their way down the Yukon River by boat on their voyage to the goldfields. Many struggled through the choppy and treacherous waters of Miles Canyon and the White Horse Rapids on the "Trail of 98".

Whitehorse is named after the historic rapids, which resembled the flowing manes of charging white horses. The White Horse Rapids became known as the greatest peril on the Trail of '98. The construction of the Whitehorse hydroelectric dam in 1958 tamed Miles Canyon and has replaced the once foaming White Horse Rapids with Schwatka Lake reservoir.

In 1897, two entrepreneurs capitalized on the obstacles presented by the Canyon and the Rapids by building tramways on either side of the river. For a fee, their horse-drawn tram cars carried goods and small boats around the rapids on log rails. A tent town called Canyon City appeared at the head of the tramway on the east bank. A roadhouse and saloon provided lodging and refreshments to the tens of thousands of gold seekers on their way to the Klondike. Before the Gold Rush, this area was a First Nations' campsite. In 1900, construction of the White Pass & Yukon railway from Skagway to a point past the rapids was completed and Whitehorse came into being at its railhead.

For years, Whitehorse continued its role connecting rail service with riverboat traffic to Dawson. In 1920, the first plane landed. In 1942, thousands of American Army personnel arrived to build the Alaska Highway. In a record breaking 8 months and 23 days, 1534 miles of highway was laid down. The boom ceased by the end of the war, but Whitehorse had become an important centre of communications and transportation. Whitehorse was incorporated as a City in 1950 and in 1953 the capital of the Yukon was transferred from Dawson City to Whitehorse.



Yukon River

MESSAGE FROM THE MAYOR

2121 Second Avenue, Whitehorse, Yukon, Y1A 1C2
phone (867) 668-8626 fax (867)668-8639
ernie.bourassa@city.whitehorse.yk.ca

It is my pleasure to present the 2005 Annual Report to the citizens of Whitehorse. Within the report you will find information on the major accomplishments of Council over the past year. It is with considerable optimism that we look forward to 2006.

The past year represented the second year of our efforts to implement elements within the Strategic Plan. It was also a year that saw considerable change occur in our community as a result of new growth and a very healthy economy.
In 2005 our community continued to grow with a population increase of approximately 1.5% over 2004. Retail sales figures indicated a growth of 5.8% over last year. The unemployment rate declined to 4.3% compared to 5.8% in 2004 and the labour force also declined by 1.3%. At the same time our total assessment increased by 7.9%. With renewed investment in the mining sector and continued growth in the residential housing market, the out look for the coming year is very positive indeed.

Without question the single most significant accomplishment was the completion of construction, and the opening of the Canada Games Centre on October 15th. This facility represents an entirely new opportunity for the citizens and visitors to Whitehorse to utilize a facility that offers a wide range of activity options from swimming to skating, walking to running, as well as a broad range of court facilities and indoor soccer. Early responses to the facility have been extremely positive and we look forward to making the maximum use we can of the facility.

No Council ever experiences a year without challenges. In 2005 the major issues facing our Council centered on planning and development. The new zoning bylaw under went considerable review and amendment prior to finalization. The Downtown Plan and Waterfront Plan were key elements of the community consultation efforts that the City engaged in over the past year. We look forward to the implementation of these documents over the coming years.

Your Council has had the honour of serving the citizens of Whitehorse over the past two years and looks forward to 2006. We are always open to comments, suggestions and the participation of citizens on municipal issues. Together we will make Whitehorse one of the best places to live work and play.

Sincerely,

May 2006

Ernest J. R. Bourassa, Mayor

CITY OF WHITEHORSE

2005 ANNUAL REPORT

Mayor and Council
City of Whitehorse
2121 Second Avenue
Whitehorse, Yukon
Y1A 1C2

June 6, 2006

RE: **LETTER OF TRANSMITTAL**

It is my pleasure to present Council with this 2005 Annual Report. It is the administrative responsibility of the Senior Management Team to provide those services identified by Council at an appropriate and acceptable standard. Our success in doing so is directly linked to the unceasing efforts, skills and dedication of our employees. I would like to extend my sincere appreciation for their support over the past year.

Implementation of Council's direction requires the attention of our human as well as financial resources. This past year 2005, represented year two of a three year financial plan that will allow for the completion and operation of the Canada Games Centre.

The City of Whitehorse enjoys a very favourable debt ratio and we have healthy reserves. The City of Whitehorse also received confirmation of the award of development funding for the Waterfront development proposal under the Canadian Strategic Infrastructure Fund. Over the next three years this will allow for the redevelopment of the waterfront area in a manner that is supported by the citizens of Whitehorse.

The following are among the significant issues and projects that were initiated or continued in 2005.

2007 Canada Winter Games: With the completion of the Canada Games Centre in October and work on improvements to Mt. Sima Ski Hill and the Whitehorse Cross Country ski trails at Mount McIntyre the major facility improvements are well in hand. The Host Society has continued to work on the planning and management of the Games. The opening is approaching rapidly in February 2007. The City of Whitehorse has continued to provide assistance where needed.

Canada Games Centre: This new facility was opened October 15, 2005. It marked the start of a new era in health and wellness in Whitehorse. As we move through our first year of operation, we continue to learn and find new ideas as to what is possible as a result of this facility. Operating such a facility is a new challenge for the Parks and Recreation Department but one that they accept with excitement. We have only just begun to identify the opportunities for the promotion of community wellness and recreation. The Canada Games Centre will provide a lasting impact on the health and well being of our community.

Waterfront Development: During 2005 Council considered the nature and type of land use they foresaw on the Waterfront. This was followed by the adoption of a plan of subdivision which will create a new mixed use commercial area adjacent to Second Avenue. Public consultation on what the public areas would look like was completed in the fall and winter.

Transportation system: During 2005 the completion of the Transportation Showcase improvements was undertaken. Most notable is the Rotary Millennium Bridge. This project connected the two existing trails into a loop which has been very popular with residents and visitors alike. Monitoring of the impact of the changes made over the past two years will commence as well.

Roads and Sidewalks: Being a winter city, one of the key aspects of public safety is the snow removal program provided by the City. With weather being among the most unpredictable elements, we are constantly challenged to provide an appropriate level of service at the minimum cost. This past year was no exception. Citizens appear to be generally happy with the level of service provided.

Transit: During 2004 Council appointed a Transit Task Force to assist in the development of recommendations on how the City could improve the transit system that would attract more riders. In October the Task Force made a series of recommendations. Council has taken these recommendations and asked administration to work towards their implementation. The first major undertaking was an application for funding assistance to acquire new buses to replace some of the aging fleet.

Looking ahead to 2006 there will be a number of items identified over this past year that will come to fruition. At least three new transit buses will be ordered as a result of the approved Municipal Rural Infrastructure Fund (MRIF) application. Waterfront development will start to take shape as construction of the necessary underground and surface infrastructure takes place. Of course work will proceed on the planning for and upgrading of recreation facilities for the 2007 Canada Winter Games. Work will commence on the Community Sustainability Plan as required under the Gas Tax Funding agreement. Needless to say the City of Whitehorse is at a very exciting point in its growth and development.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Whitehorse for its annual financial report for the fiscal year ended December 31, 2004. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.

Administration wishes to thank our Council and the citizens of Whitehorse for the honour of serving you over the past year.

Dennis Shewfelt, MCIP
City Manager

CITY OF WHITEHORSE

TREASURER'S REPORT

In accordance with the *Municipal Act, R.S.Y. 2002, c. 154*, the City of Whitehorse prepares an annual financial statement that consolidates all of the operations for which the City is responsible. The Consolidated Financial Statements show the state of the City's finances at the end of each year.

The financial statements are prepared by Management in accordance with generally accepted accounting principles as set by the Canadian Institute of Chartered Accountant's Public Sector Accounting Board. To ensure that the statements are in compliance, they are subjected to external audit by an independent auditor.

The Consolidated Financial Statements encompass the following individual statements:

Consolidated Statement of Financial Activities – provides a summary of funds raised by the City and the use of such funds during the year.

Consolidated Statement of Financial Position – provides a summary of the City's financial and physical assets and liabilities.

Consolidated Statement of Investment in Physical Assets – shows how the changes in physical assets occurred through the purchase and disposition of assets and the reduction of long term debt.

Consolidated Statement of Reserve Funds – reconciles the changes in the reserve balance based on source of funding and type of expenditure

Consolidated Statement of Cash Flow – summarizes how the City's cash position changed during the year by highlighting the sources and use of cash.

Also included are Notes to the Financial Statements which provide further detail about the City's financial results and are an integral part of the statements.

2005 Highlights

- The City collected revenues of $48.0 million and spent $46.7 million for a net surplus before debt of $1.3 million.
- As a result, the City's net financial assets increased from $13.1 million to $14.4 million.
- Cash and investments decreased by $1.2 million to a total of $18.5 million.
- Long term debt decreased by $835,000 to $4.9 million at the end of the year.
- The net investment in physical assets for the year was $16 million.

Analysis

Total revenues exceeded budget estimates by $4.3 million due primarily to an increase in capital funding from the governments of Yukon and Canada. Variances in property taxes reflect increased assessment values from higher than anticipated growth in residential construction.

General government expenditures include the cost of Council, City Manager, Administrative Services, Financial Services, Information Systems, Human Resources, Engineering, Risk Management, and legal costs. The principal reason for 2005 actuals being under budget was the existence of a number of vacant positions throughout the year.

Protective services include the cost of Building Inspection, Fire Protection, Bylaw Enforcement and Animal Control.

Transportation services costs, which include Fleet maintenance, Roads, Streets, Walks and Lighting, and Transit Services, were over budget estimates due primarily to increased costs of snow and ice control.

Environmental services include Water & Sewer services, and solid waste management functions both of which by policy are self funded through user fees.

Community Development services include Planning, Land Development, Tourism and Marketing.

Recreation and cultural service costs which include Recreation facilities, parks, playgrounds and leisure programs, were over budget due to unexpected increases in energy and labour costs in the facilities area.

A number of large capital projects such as development of the Motorways site and Downtown reconstruction were deferred or cancelled which resulted in the cost of Property and equipment acquisition being less than budget.

Comparison to the prior year

Net revenues in 2005, excluding government grants, increased by 7.1% when compared to 2004. Property tax revenues increased 3.6% due in part to a 2% tax rate increase with the balance attributable to the previously referred to growth in residential assessment. The increase in the sales of goods and services is primarily the result of opening the Canada Games Center recreation facility. Other increases in revenue were had in the area of land sales and developers contributions to the City.

Expenditures, excluding capital, increased by $1.6 million or 6.3% in 2005. Overall, this increase can be generally attributable to two factors; wage increases including the additional labour costs associated with the Canada Games Center, and inflation; as other service levels remained essentially unchanged.

Significant trends

Financial Activities - Operating

	Average Annual Increase	2005	2004	2003	2002
Revenues (excluding grants)	4.16%	31,328,294	29,224,944	27,535,610	26,861,427
Expenses (excluding capital)	3.47%	27,966,346	26,321,201	25,531,021	24,554,409
Net		3,361,948	2,903,743	2,004,589	2,307,018

The net amount above reflects the level of funding the City contributes to capital and/or reserve funds from its own resources.

Revenues	Average Annual Increase	2005	2004	2003	2002
Property taxes		19,353,947	18,684,661	18,141,968	17,899,908
User fees	4.74%	7,927,755	7,370,143	6,934,932	6,663,631
Other	19.03%	4,046,592	3,170,140	2,458,710	2,297,888
Total		31,328,294	29,224,944	27,535,610	26,861,427

The table above demonstrates that property taxes continue to be the slowest growing revenue source for the City. During this period, assessment growth has averaged 1.5% annually however most of the gains made by new construction have been residential which is taxed at a lower rate than non-residential property. Because non-residential assessment accounts for only 45% of the total, more reliance has been placed on user fees, and other sources of revenue to meet expenditures.

Financial Position	Average Annual Increase	2005	2004	2003	2002
Financial Assets	6.14%	25,430,029	26,196,322	21,150,906	20,414,257
Financial Liabilities	-0.97%	11,044,842	13,098,295	11,307,354	11,492,074
Net Assets		14,385,187	13,098,027	9,843,552	8,922,183

	Average Annual Increase	2005	2004	2003	2002
Long term Debt	-3.97%	4,881,847	5,717,105	6,874,107	5,802,444

Additional information on the City's obligations can be found in Notes 2, 3, 9, and 12 to the financial statements. The City has a Debt Management policy which establishes conditions for the use of debt, created procedures that define the level of debt to be included in rates and minimize the City's debt servicing costs.

	Average Annual Increase	2005	2004	2003	2002
Reserves	5.98%	19,429,557	19,862,344	17,398,185	15,676,904

The City's reserves are generally used to fund a portion of the City's capital program and occasionally stabilize minor expenditure and revenue variances from one year to the next.

Summary

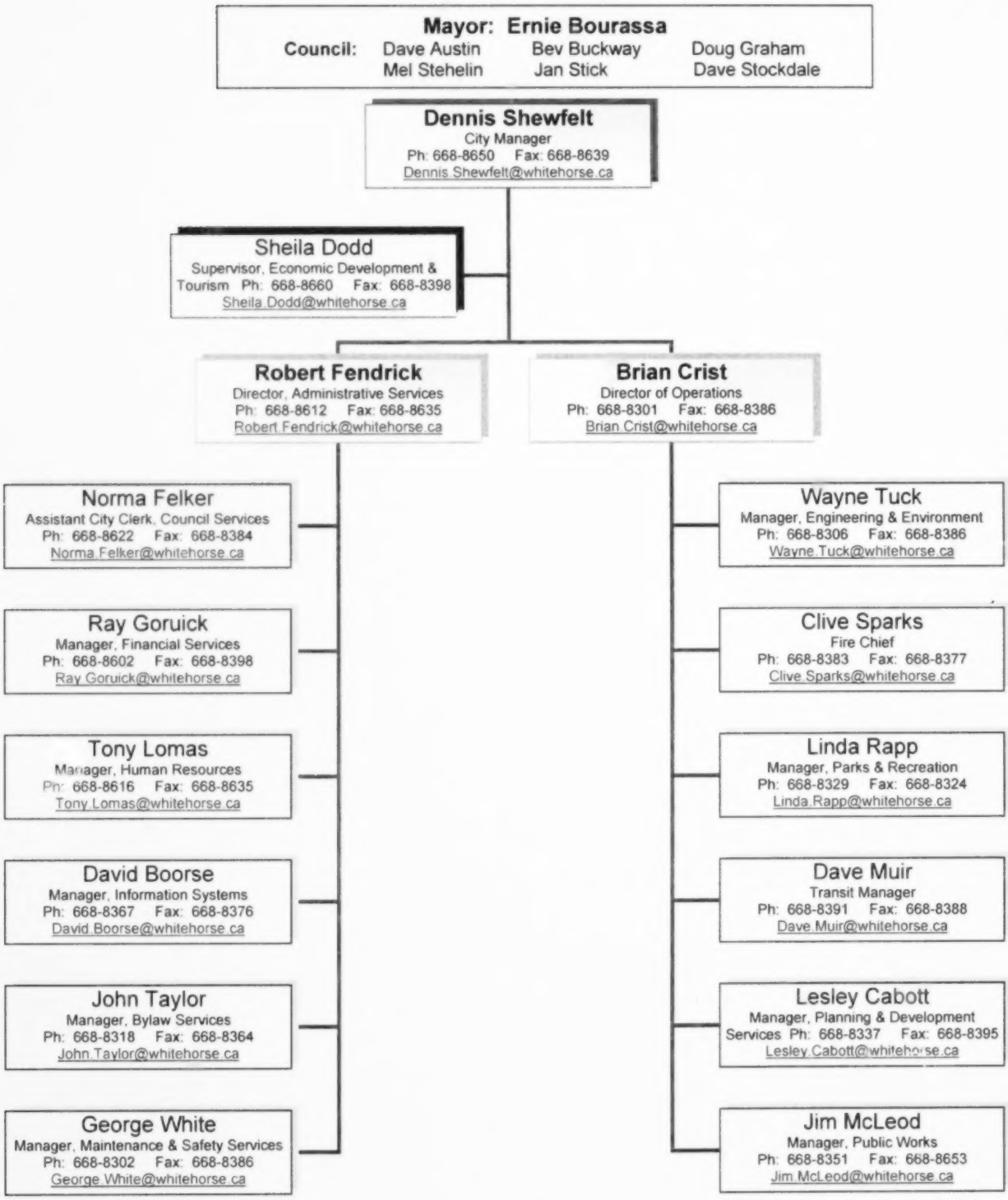
The City of Whitehorse continues to maintain its strong financial position by maintaining an adequate level of reserves, which combined with assistance from Senior levels of government, reduces the need to rely on debt to finance its capital programs or the need to implement significant property tax increases to finance the operating program.

Respectfully submitted,

Ray Goruick
Manager, Financial Services

May 13, 2006

CITY OF WHITEHORSE
ORGANIZATIONAL CHART



CITY, COUNCIL, & BOARD INFORMATION

MUNICIPAL AUDITORS
BDO Dunwoody LLP

CITY SOLICITORS
Lackowicz Shier & Hoffman
Barristers & Solicitor

CITY FINANCIAL INSTITUTION
Royal Bank of Canada

DEPUTY MAYOR APPOINTMENTS

Councillor Bev Buckway	November 1 to December 31, 2005
Councillor Dave Stockdale	January 1 to February 28, 2006
Councillor Mel Stehelin	March 1 to April 30, 2006
Councillor Doug Graham	May 1 to June 30, 2006
Councillor Dave Austin	July 1 to August 31, 2006
Councillor Jan Stick	September 1 to October 31, 2006

STANDING COMMITTEE CHAIR & DEPUTY CHAIR APPOINTMENTS

Committee	Chair	Deputy Chair
Administrative Services	Councillor Stick	Councillor Buckway
City Operations	Councillor Buckway	Councillor Graham
City Planning	Councillor Graham	Councillor Austin
Community Services	Councillor Austin	Councillor Stick
Public Health & Safety	Councillor Stehelin	Councillor Stockdale
Tourism & Economic Development	Councillor Stockdale	Councillor Stehelin

COUNCIL APPOINTMENTS TO AD HOC COMMITTEES

Association of Yukon Communities	Councillor Buckway, Councillor Stick
Budget Committee	Mayor and Council
Crime Prevention Yukon	Councillor Stockdale
Emergency Measures Commission	Mayor Bourassa, Councillor Stockdale
Whitehorse 2007 Jeux du Canada Games Host Society	Mayor Bourassa, Councillor Graham, Councillor Austin
Whitehorse Chamber of Commerce	Mayor Bourassa
Whitehorse Housing Authority	Councillor Buckway
Recreation Grants Task Force	Ron McFadyen, Jan Koepke, Al Loewen, Duke Connelly, Kayla Bixby Charlene Alexander, Marg White John Wright, Sheri Armstrong

MUNICIPAL ADMINISTRATION

Administrative Services Division

⇒ **Council Services**

Council Services provides a communication link between the citizens of Whitehorse and their City Council. They are responsible for preparing and preserving records of the official business of the corporation including bylaws, policies, resolutions, and Council meeting minutes.

Council Services also helps ensure strong communication between Council and departmental staff by coordinating the flow of information presented at and arising from Council and Committee meetings.

⇒ **Financial Services**

The Financial Services Department is comprised of 14 full time staff that provides financial reporting and control, upholds the fiduciary responsibility to manage assets of the City, and provides guidance for maintaining the overall financial stability of the municipality. Specific functions include the preparation and monitoring of the operating and capital budgets; levying and collecting property taxes and utility rates; administration of payroll; processing of accounts payable; accounts receivable; providing purchasing assistance; development and maintenance of financial systems; financial reporting including financial statements; investing and safeguarding of financial assets.

In addition to the above, the department manages the insurance needs of the City, including the securing of insurance coverage and operating a self insurance program.

⇒ **Human Resources**

The Human Resources department enhances the effectiveness of City of Whitehorse employees by providing organizational and staff relations advice, and training/developmental opportunities.

⇒ **Information Systems**

The Information Systems budget funds 6 full time staff and the necessary operating resources to maintain the City's computer infrastructure. Information Systems support other departments in their efforts to provide efficient and effective services to citizens, and contribute to transportation systems, water treatment systems, financial systems, and other community systems.

Maintaining a smoothly operating computer infrastructure allows the City to make the best use of its human resources by improving internal communication and cooperation.

⇒ **Maintenance and Safety**

This department is comprised of eighteen staff members and four separate programs:

1) Administration- provides administrative and clerical support for the department, equipment acquisition and disposal, and warehousing services for the corporation.
2) Building Maintenance - provides maintenance, repairs, and inspection services for the City's building assets.
3) Equipment Maintenance- provides maintenance, service, repairs and inspection services for the City's fleet of vehicles and equipment
4) Safety & Emergency Services - provides and facilitates necessary safety and EMO training, inspection services, and assistance in emergency preparedness.

⇒ **Bylaw Services**
The focus of Bylaw Services is to provide quality customer service to the citizens of Whitehorse and to use an educational approach to resolving infractions against our bylaws.

City Manager

⇒ **Economic Development & Tourism**
The City of Whitehorse Tourism Department markets Whitehorse as a visitor destination to both the prospective visitor and the tour and travel operators that sell destinations in packages. The department provides updated information for publications, buys advertising, and attends and organizes trade shows for the Travel Trade. The department also works with the Travel Media. The department is a point of contact within the City for Event organizers, non-profit organizations, and owner operators within the Tourism Sector who need the aid of the City in various projects. The Tourism Department also acts in an advisory capacity for the Tourism Industry Association.

Operations Division

⇒ **Fire**
The Whitehorse Fire Department is "A proud and committed organization, dedicated to proactively providing compassionate and responsive service". The Department is dedicated to the protection of life, property, and the environment by providing fire prevention and suppression services, public safety education, hazardous materials response, rescue, and first aid.
The Whitehorse Fire Department operates out of two fire halls manned by 20 full-time Firefighters, up to 30 Volunteer Firefighters, a Fire Prevention Officer, a Training Officer and a Fire Chief.

The Department continues to expand it role in fire prevention activities including wild fire abatement, public education, and fire inspections to reduce the number of destructive fires that occur each year.

The Department is now able to provide confined space and other rope rescue services that enhance the services available to the public and businesses. A close working relationship with the Government of Yukon Wildfire Management Program and with the surrounding Fire Departments in the Mutual Aid Agreement, and the level of protection and suppression capabilities in the case of a wild fire or serious structural fire continue to improve each year.

⇒ **Transit**
The City of Whitehorse endeavours to provide the best in safe, reliable, cost-effective, and responsive transit service that supports the social, economic, and environmental well being of the customers they serve. Whitehorse Transit also provides a Handy-Bus service, which is a special door-to-door service for persons unable to use the conventional transit system due to temporary or permanent physical and/or cognitive disabilities.

⇒ **Parks and Recreation**
The Parks and Recreation Department provides a variety of programs and services related to the provision of parks and green spaces, recreation programs, facilities, and events.

The Department consists of 105 full-time, permanent part-time, temporary, and casual employees who operate and maintain the Canada Games Centre, Takhini Arena, the Grey

Mountain Room and kitchen at Mt. McIntyre Recreation Centre, approximately 33 neighbourhood outdoor rinks, two cemeteries, 7,333 hectares of greenbelts, numerous trails and neighbourhood parks, leisure programs, and special events. The department also provides support to community clubs and organizations with the development of their programs, facilities, and events.

The Parks and Recreation Department strives to ensure that the citizens of Whitehorse have opportunities for personal growth, physical fitness, environmental stewardship, community involvement, creativity, and self-expression in their leisure time. The Department aims to set standards in these areas, and ensures the service delivery is of high quality, reasonably priced, and reflects the needs and interests of the community.

⇒ **Engineering & Environmental Services**

The Engineering Department facilitates the planning, design, and construction of the city's infrastructure including roads, water, sanitary and storm sewer projects as well as parks, street lighting, traffic signals, and environmental works.
The Environmental Department provides guidance and expertise on environmental issues and manages environment-related programs and projects that preserve, protect, and rehabilitate our environment.

⇒ **Planning & Development Services**

Planning & Development Services carries out long range planning in consultation with the community within which the associated land use applications such as development and building permits are issued and inspections are performed.

The department ensures a consistent application of the City's Official Community Plan, zoning bylaw, policies, and other legislation in order to protect the natural and developed areas of the City. The Planning and Development Services Department is responsible for riverfront planning and development, habitat protection, and heritage programs. This department coordinates and manages City-owned land in order to increase the financial return to the City, and to expand the City-owned land base to assist in the planned growth and development of the City.

The department reviews all building projects in the City and approves and issues development and building permits in accordance with 2005 National Building Code and City Bylaws.

⇒ **Public Works**

The Department of Public Works consists of 47 permanent staff and 16 casual staff. The department has 2 general areas of expertise, Utilities and Transportation.
The Utilities area is responsible for the operations and maintenance of the City's water and sewer systems.
The Transportation area is responsible for the maintenance of paved and unpaved roads within City limits including snow and ice control, maintaining traffic lights and signs, line painting, garbage collection, and administration of the Landfill Contracts. Other programs handled by the department include Insect Control, and Street Lighting. Public Works assists other departments, and plays an important role in Special City Events.